

**SBA News and Views** is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

## *Serving America's Small Businesses*

### U.S. Small Business Administration Wisconsin District Office

**Eric Ness, District Director**  
**May 2008**

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SBA Home Page  
<http://www.sba.gov>

Wisconsin SBA Home Page  
<http://www.sba.gov/wi>

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### 19<sup>th</sup> Annual Lenders Conference



This year's Lenders Conference was held May 15 & 16, 2008 at Chula Vista Resort in Wisconsin Dells and was attended by over 300 lenders.

Pre-conference events were held on Thursday and included the ever popular golf outing which was followed by a reception, dinner, golf awards and door prizes. The Keynote Speaker at the Reception was **Retired Green Bay Packer Leroy Butler**

Friday proved to be a busy day starting at 7:30 a.m. with breakfast and registration. SBA Region V Administrator, Patrick Rea introduced keynote speaker **Dennis Winters, Chief of the Office of Economic Advisors in the Department of Workforce Development.**



Mr. Winters spoke on "The State of Wisconsin's Economy."

Following the morning workshop sessions, SBA awards were presented to volume lenders based on asset size and dollar amount. District Director Eric Ness issued the awards to the following lenders:

- ✓ **Associated Bank NA**
- ✓ **Community Bank & Trust Sheboygan**
- ✓ **Port Washington State Bank**
- ✓ **Cornerstone Community Bank Grafton**
- ✓ **Hometown Bank Fond du Lac**
- ✓ **Green Lake State Bank**
- ✓ **Foundations Bank**
- ✓ **Park Bank, Holmen**

The top lenders in various categories were:

#### **504 Lender**

M&I Marshall & Ilsley Bank  
**Credit Union Lender**  
Community First Credit Union  
Appleton

#### **504 CDC in 504 Lending**

Wisconsin Business Development  
Finance Corp.

#### **Veterans Loan Lender**

US Bank

#### **Micro Lender**

Wisconsin Women's Business  
Initiative Corporation

The luncheon was followed by afternoon workshops covering a variety of SBA programs and related topics.

Every year SBA looks forward to the Lenders Conference and this year was no exception. Once again, the Conference was a big success.

**SBAExpress Loan Usage****SBAExpress Loans May be Used for Energy Efficiency and Renewable Energy Purposes**

As a result of Section 1201 of the Energy Independence and Security Act of 2007, SBA is clarifying that SBAExpress loan proceeds may be used to finance the purchase of a renewable energy system or to carry out an energy efficient project that involves the installation or up-grading of equipment that result in a significant reduction in the borrower's energy usage (Section 7(a) (31) of the Small Business Act). As with other SBAExpress loans, these loan proceeds must be used for purposes related to the operation of the business.

The term "renewable energy system" means a system of energy derived from a wind, solar, biomass (including biodiesel) or geothermal source or hydrogen derived from biomass or water using an energy source such as wind, solar, biomass (including biodiesel) or geothermal source. Biomass means any organic material that is available on a renewable or recurring basis, including: agricultural crops; trees grown for energy production; wood waste and wood residues; plants (including aquatic plants and grasses); residues; fibers; animal wastes and other waste materials; fats; oils; and, greases (including recycled fats, oils, and greases). Biomass does not include paper that is commonly recycled or unsegregated solid waste.

Questions regarding this Notice may be forwarded to Charles Thomas at [charles.thomas@sba.gov](mailto:charles.thomas@sba.gov) or via telephone at (202) 205-6656.

**SBA and FranNet Team Up****SBA and FranNet Team Up to Offer Online Training on "Franchising Basics" for small Businesses**

Entrepreneurs considering franchising can now access a new online course from the U.S. Small Business Administration and FranNet to help them navigate the competitive franchise industry.

The introduction to franchising course, *Franchising Basics*, is a free online seminar, which provides three key sections that examine more than 10 essential areas relating to franchising, including *Is Franchising Right for You* and *How to Choose the Right Franchise*. The course also covers franchising options, strategies for growth, and pitfalls to avoid. Course participants will be able to better understand franchising and decide if it is the best small business option for them.

The *Franchising Basics* course can be accessed from the SBA Web site at [www.sba.gov](http://www.sba.gov), under the Services, Free Online Training icon by selecting [Franchising Basics](#) in the Starting a Business section. The courses can be reviewed at the learner's own pace and in their own time, and a certificate of completion will be provided to participants who finish the course.

"SBA is committed to helping entrepreneurs achieve their goals of business ownership, and the online training tool is both accessible and educational in determining if franchising is the right business option," said Anoop Prakash, SBA's Associate Administrator for Entrepreneurial Development. "We believe that combining our resources to help

build up small businesses and to help train future entrepreneurs is important to strengthening the nation's small business community."

The cosponsorship between SBA and FranNet allows both organizations to help entrepreneurs achieve their goals through educating them on opportunities, financing, research and realistic goal setting. Investing in a business can be frightening and overwhelming, however, SBA and FranNet provide tools and guidance to ease the decision. FranNet uses educational seminars and personalized consulting services to help entrepreneurs determine if franchising is the right path.

"FranNet has been diligently working on increasing the knowledge of the benefits of franchising to the public," said Jania Bailey, President, and COO of FranNet. "Franchising is not just about French fries, but rather a proven business format that grows businesses quickly. Hundreds of thousands of people have opened their own business by buying a franchise. Franchises create thousands of jobs each year, help develop local economies and provide endless business opportunities. Buying a franchise is a wonderful way to go into business for you, but not by yourself. Franchises have proven systems and a team of people in place to make sure you are successful in building your business."

FranNet provides no cost guidance, information and support to individuals who are interested in purchasing a franchised business. FranNet consultants specialize in helping their clients find the right franchise through their exclusive matchmaking process. FranNet also hosts numerous informational seminars and

educational programs that are open to the public each month throughout the country and online. To learn more about opportunities with FranNet call 1-800-FRANNET or visit [www.frannet.com](http://www.frannet.com).

*The support given by the U.S. Small Business Administration to this activity does not constitute an express or implied endorsement of any cosponsors or participant's opinions, products, or services. All SBA programs or cosponsored programs are extended to the public on a nondiscriminatory basis. Cosponsorship Authorization #08-7630-01*

### **Significant Small Business Ownership Opportunities for Nation's Military Spouses**

The nation celebrated National Military Spouse Day on May 9, 2008 and the U.S. Small Business Administration wants to remind military families that the Patriot Express loan initiative is up and running and available to help them start or build a small business.

In the ten months since its launch, Patriot Express has produced 1,304 guaranteed loans amounting to more than \$135 million, with an average loan amount of nearly \$104,000. Nearly 15% of those loans have gone to military spouses. During that time, Patriot Express in Wisconsin has produced 37 guaranteed loans amounting to over \$4 million.

Patriot Express is available to military community members including veterans, service-disabled veterans, service members leaving active duty, Reservists and National Guard members, current spouses of any of the above, spouses of active duty members, and the widowed spouse of a service member who died during service, or of a service-connected disability.

Every year since Ronald Reagan first proclaimed Military Spouse Day in 1984, we pay special tribute to the husbands and wives who support their spouses in America's Armed Forces," said SBA Deputy Administrator Jovita Carranza. "Patriot Express is helping America's military spouses, and many others in our military community, start or expand their small business. We are proud to be able to serve those who have given so much to our country."

The Patriot Express initiative builds on the more than \$1 billion in loans SBA guarantees annually for veteran-owned businesses, and the counseling assistance and procurement support it provides each year to more than 100,000 veterans, service-disabled veterans, and Reserve members.

Patriot Express is a streamlined loan product based on the agency's highly successful **SBAExpress** program, but with enhanced guaranty and interest rate characteristics.

Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85% for loans of \$150,000 or less and up to 75% for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to secure all available collateral to back the loan and may obtain collateral for smaller loans depending upon individual bank requirements.

Interest rate maximums for Patriot Express loans are the same as those for regular 7(a) loans: a maximum of Prime + 2.25% for maturities under seven years, Prime + 2.75% for seven years or more. Interest rates can be higher by 2% for loans of \$25,000 or less; and 1% for loans between \$25,000 and \$50,000.

The Patriot Express Pilot Loan Initiative can be used for most business purposes. Details on the initiative can be found at [www.sba.gov/patriotexpress](http://www.sba.gov/patriotexpress).

Patriot Express loans have been approved in all 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico and Guam and currently range from \$5,000 to \$375,000 in individual loan amounts. After loan applications are approved by the bank, they are submitted to SBA for approval. Most applications are approved by SBA within 24 hours.

### **Wisconsin Regulatory Relief Resource**

**Are you unnecessarily burdened by out-dated or overly burdensome existing state Administrative rules or regulations?**

**Do you feel your voice is not being heard on issues related to existing state administrative rules or regulations?**

If you answer "yes" to either questions, then you may want to take advantage of an opportunity to inform the Small Business Regulatory Reform Board (SBRRB) about problematic existing state administrative rules or regulations.

The Small Business Regulatory Review Board, created as part of the state's regulatory reform 2003 Wisconsin Act 145, is soliciting the input of small business owners regarding negative economic impacts of existing state rules and regulations. State rules that are out-of-date or no longer necessary may create an economic burden for small business. In many cases, state regulatory agencies may be unaware of the negative effects that an out-dated administrative



rule may have on a business owner. Small business owners should educate the SBRRB about ineffective, out-of-date existing state regulations that are ripe for reform.

The SBRRB is comprised of small business owners (defined as being independently owned and operated, with 25 or less full-time employees and annual sales of less than \$5,000,000), legislators and state agency representatives. The SBRRB advocates for small business by providing their recommendations for reducing or eliminating a rule's negative impacts to either the regulatory agency or the Joint Committee for Review of Administrative Rules.

To assist you in providing this information to other businesses, an outreach flyer, and brochure are available from the Commerce web site at:

<http://commerce.wi.gov/BD/BD-SBRRB.html>. Small business owners who wish to have their concerns heard by the SBRRB should contact the Small Business Ombudsman at [COMBDOmbudsman@wisconsin.gov](mailto:COMBDOmbudsman@wisconsin.gov) or by phone at 608-267-0297.

### **Small Firms Hit Hardest By Rising Energy Costs**

#### **Manufacturing and Commercial Sectors Top the List**

Small firms are hardest hit by rising energy costs, according to a study released by the Office of Advocacy of the U.S. Small Business Administration. The small manufacturing and small commercial sectors top the list of burdened industries, on an energy cost per value of industry shipments and an energy cost per sales basis.

"This report shows that, on a disaggregated basis, energy prices can affect different

industrial sectors in different ways," said Dr. Chad Moutray, Chief Economist for the Office of Advocacy. "Previously, most research in this area had focused on the macro level. With this report, the spotlight turns to individual industrial sectors and the small firms within them."

The report finds that for 10 of 17 manufacturing sectors for which data were available, small firms spent considerably more for energy than large firms did, on a per value of industry shipments basis. For food manufacturers, leather and allied products manufacturers, and computer and electronic products manufacturers, the costs per dollar of output were more than double those of their larger counterparts.

The author also finds that in 26 of 31 commercial industries studied, small firms have higher energy expenditures on a cost per dollar of sales basis. The median commercial sector industry has a small entity energy cost per sales ratio that is 2.7 times the ratio for large entities.

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The report, *Characterization and Analysis of Small Business Energy Costs*, written by E.H. Pechan & Associates with funding from the Office of Advocacy, uses available data to analyze the impact of changing energy prices on various sectors of the economy.

### **SCORE Corner**

SCORE "Counselors to America's Small Businesses" is a nonprofit association dedicated to educating entrepreneurs and the formation, growth and success of small business nationwide.

SCORE volunteer counselors enjoy a variety of personal rewards. As a SCORE volunteer, you:

- Provide leadership in the business community
- Gain recognition and respect as a business mentor
- Enjoy the satisfaction of contributing to the success of others
- Share in a great experience with other SCORE volunteers
- Grow professionally and personally
- Participate in lifelong learning
- Make new friends.

#### **JOIN SCORE TODAY**

Apply to volunteer for SCORE. We are looking for experienced business professionals, owners and managers—who want to help small businesses succeed and grow. Call us at 414-297-3942 or email at [score@sbcglobal.net](mailto:score@sbcglobal.net).

**Editor's Notes**

**TRAINING CALENDAR**

Be sure to visit <http://web.sba.gov/calendar/public/index.cfm?op=group&grp=73> for business training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences and seminars at the federal level but will also include state, local, and private activities that pertain to small business development.

**23rd ANNUAL SMALL BUSINESS AWARDS BREAKFAST**

**Friday - June 6, 2008 at Country Springs Inn & Resort in Waukesha**

**AWARDS BREAKFAST**

7:30 am – 9:00 am

**GUEST SPEAKER**

*Margaret Henningsen  
Co-Founder, Legacy Bank*

**Book your seat and/or table now!**

**Contact Mary Trimmier at 414-297-1093 or email her at [mary.trimmier@sba.gov](mailto:mary.trimmier@sba.gov)**

**SAGE Success  
A Group Effort  
By SBDC & SBA**

**A Women's  
Procurement  
Conference  
June 25, 2008**

**@ USDA Forest Service  
(Forest Products Lab)  
1 Gifford Pinchot Drive  
Madison, WI**

Event will focus on Women and Men in the early stages of starting, growing, or expanding a business.

Lunch is included in the registration fee.

- Take the initial steps needed to compete for business opportunities
- Use the Internet to find opportunities
- Access your firm's financial readiness
- Hear from representatives and prime contractors
- Learn Business Matchmaking, it is a program that matches small companies with federal, state, and local government agencies, and large corporations.
- No matter what anyone tells you - focusing on the right people is by far the most important element of your marketing

More information and access to online registration can be found at

[www.sba.gov/idc/groups/public/documents/wi\\_milwaukee/sage.pdf](http://www.sba.gov/idc/groups/public/documents/wi_milwaukee/sage.pdf)

Call Cheryl Jordan if you have any questions. 414/297-3951.

**Link to  
SBA April 2008 Loans**

**SBA April  
2008 Micro-Loans**

**WI Women's Business  
Initiative Corp.**  
3 Loans for \$59,000

**E200**

SBA Names Milwaukee for [Emerging 200](#), an Intensive Jobs & Growth Initiative for 200 Inner City Businesses

**[FAQ's](#)**

Get your Business Signed Up Today.  
**[BUSINESS PARTICIPATION FORM](#)**